

George Reisman: The Essentials of Capitalism

(8 lectures)

This course will explain the leading economic institutions of a capitalist society in terms of their nature, origin, functioning, and mutual interconnection. Among the subjects to be discussed are: rational self-interest, economic freedom and limited government, private property, saving and capital accumulation, exchange and money, the division of labor, economic competition and economic inequality, the profit motive and the price system, economic progress, and the nature of productive activity. Numerous popular misconceptions will be refuted, and all of capitalism's institutions will be shown to promote the life and well-being of everyone.

Lecture 1. The Division of Labor.

The gains from the division of labor: the multiplication of knowledge; the benefit from geniuses; concentration on individual advantages. geographical specialization. economies of learning and motion. the use of machinery. The appropriateness of the division of labor. The division of labor and society. The assault on the division of labor.

Lecture 2. The Dependence of the Division of Labor on the Institutions of Capitalism.

The specific dependence on: private property; saving and capital accumulation; exchange and. money (digression on the origin and evolution of money); economic competition;. economic inequality; the profit motive and the price system.

Lecture 3. The Influence of the Division of Labor on the Institutions of Capitalism I. The General Benefit from private Property. The increasing general benefit from private property via saving and capital accumulation, profit and loss incentives, and the freedom of competition. Economic efficiency as a cause of capital accumulation—application to Soviet Russia and socialism. The capitalists' special benefit from private property. A critique of redistributionism and government ownership. Summary.

Lecture 4. The Influence of the Division of Labor on the Institutions of Capitalism I continued.

The general benefit from the institution of inheritance. The inheritance and income taxes. Private ownership of land and “land rent.” The conservation doctrine.

Lecture 5. The Influence of the Division of Labor on the Institutions of Capitalism I further continued.

The violent appropriation doctrine. Land reform. Territorial sovereignty. Foreign “exploitation.” The Influence of the Division of Labor on the Institutions of Capitalism II. Economic inequality.

Lecture 6. The Influence of the Division of Labor on the Institutions of Capitalism II continued.

The Marxian doctrine on economic inequality: a critique. Economic inequality under socialism. The “equality of opportunity” doctrine: a critique.

Lecture 7. The Influence of the Division of Labor on the Institutions of Capitalism III.

The nature of economic competition. The short-run loss periods. The true advocates of the law of the jungle. Economic competition and economic security. The law of comparative advantage. The pyramid of ability principle.

Lecture 8. The Influence of the Division of Labor on the Institutions of Capitalism III continued.

The population question. Worldwide free trade. Free trade and the economic superiority of The united states over Western Europe. International free trade and domestic laissez faire. The birth rate and free immigration.